



Reprinted
April 9, 2005

ENGROSSED HOUSE BILL No. 1097

DIGEST OF HB 1097 (Updated April 8, 2005 5:55 pm - DI 73)

Citations Affected: IC 4-4; IC 6-1.1; IC 13-21; IC 20-26; IC 36-1; IC 36-2; IC 36-3; noncode.

Synopsis: Local finance matters. Requires rules of the department of local government finance to include instructions for: (1) determining the true tax value of certain mobile homes in a prescribed manner; and (2) determining the true tax value at the time of acquisition of computer application software for the purpose of deducting that value from the true tax value of taxable personal property. Requires the controller of a solid waste management district to deposit and invest the district's money in the same manner that other county money is deposited and invested. Allows a school corporation to form a foundation to hold grants, gifts, and certain other money received by the school corporation. Provides that in Marion County the city controller assumes certain powers and duties of the county auditor. Provides for the appointment of two deputy controllers by the mayor of Indianapolis. Creates the department of administration and equal opportunity in Marion County to replace the existing department of administration.
(Continued next page)

Effective: July 1, 2005; January 1, 2006.

Borrer, Mays

(SENATE SPONSOR — FORD)

January 6, 2005, read first time and referred to Committee on Ways and Means.
January 13, 2005, amended, reported — Do Pass.
January 24, 2005, read second time, amended, ordered engrossed.
January 25, 2005, engrossed. Read third time, passed. Yeas 92, nays 0.

SENATE ACTION

February 14, 2005, read first time and referred to Committee on Tax and Fiscal Policy.
April 5, 2005, amended, reported favorably — Do Pass.
April 8, 2005, read second time, amended, ordered engrossed.

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Digest Continued

Establishes the office of finance and management (the office). Specifies that the controller is the director of the office. Provides that city controller and the office are responsible for: (1) financial reporting and audits; (2) purchasing; and (3) fixed assets; for all city and county departments, offices, and agencies. Provides that city controller and the office are responsible for budgeting for all city and county departments, offices, and agencies, other than the circuit and superior courts and the county prosecutor. Limits the duties of the Marion County board of commissioners. Provides that city-county council ordinances in Marion County concerning the budgets for elected county officers or judicial officers are subject to veto.

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April 9, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1097

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-6.1-2.6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2.6. (a) This
3 section applies to records and other information, including records and
4 information that are otherwise confidential, maintained by the
5 following:

- 6 (1) The board.
- 7 (2) An urban enterprise association.
- 8 (3) The department of state revenue.
- 9 (4) The department of commerce.
- 10 (5) The department of local government finance.
- 11 (6) A county auditor.
- 12 (7) **A controller for a consolidated city.**
- 13 ~~(7)~~ (8) A township assessor.

14 (b) A person listed in subsection (a) may request a second person
15 described in subsection (a) to provide any records or other information
16 maintained by the second person that concern an individual or business
17 that is receiving a tax deduction, exemption, or credit related to an

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enterprise zone. Notwithstanding any other law, the person to whom the request is made under this section must comply with the request. A person receiving records or information under this section that are confidential must also keep the records or information confidential.

(c) A person who receives confidential records or information under this section and knowingly or intentionally discloses the records or information to an unauthorized person commits a Class A misdemeanor.

SECTION 2. IC 6-1.1-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) nursery stock that has been severed from the ground;
- (2) florists' stock of growing crops which are ready for sale as pot plants on benches;
- (3) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (4) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5;
- (5) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed; and
- (6) all other tangible property (other than real property) which is being:
 - (A) held for sale in the ordinary course of a trade or business;
 - (B) held, used, or consumed in connection with the production of income; or
 - (C) held as an investment.

(b) Personal property does not include **the following:**

- (1) Commercially planted and growing crops while they are in the ground.
- (2) **Computer application software that is not held as inventory (as defined in IC 6-1.1-3-11).**

SECTION 3. IC 6-1.1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence, and condition; and
- (5) any other factor that the department determines by rule is just

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and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the value of personal property;
- (3) the cost of reproducing personal property;
- (4) the depreciation, including physical deterioration and obsolescence, of personal property;
- (5) the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;
- (6) the true tax value of mobile homes assessed under IC 6-1.1-7 (other than mobile homes subject to the preferred valuation method under IC 6-1.1-4-39(b)) as the least of the values determined using the following:**

(A) The National Automobile Dealers Association Guide.

(B) The purchase price of a mobile home if:

- (i) the sale is of a commercial enterprise nature; and**
- (ii) the buyer and seller are not related by blood or marriage.**

(C) Sales data for generally comparable mobile homes; and

(7) the true tax value at the time of acquisition of computer application software, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software; and

(7) (8) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under rules of the department of local government finance.

SECTION 4. IC 13-21-3-10 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) A controller selected under section 9 of this chapter shall do the following:

(1) Be the official custodian of all district money **and, subject to the terms of any resolution or trust indenture under which bonds are issued under this article, deposit and invest all district money in the same manner as other county money is deposited and invested under IC 5-13.**

(2) Be responsible to the board for the fiscal management of the district.

(3) Be responsible for the proper safeguarding and accounting of the district's money.

(4) Subject to subsection (c), issue warrants approved by the board after a properly itemized and verified claim has been presented to the board on a claim docket.

(5) Make financial reports of district money and present the reports to the board for the board's approval.

(6) Prepare the district's annual budget.

(7) Perform any other duties:

(A) prescribed by the board; and

(B) consistent with this chapter.

(b) A controller selected under section 9 of this chapter:

(1) does not exercise any sovereign authority of the state; and

(2) does not hold a lucrative office for purposes of Article 2, Section 9 of the Constitution of the State of Indiana.

(c) The board may, by resolution, authorize the controller to make claim payments for:

(1) payroll;

(2) the state solid waste management fee imposed by IC 13-20-22-1; and

(3) certain specific vendors identified in the resolution;

without the claims being first approved by the board if before payment the claims are approved in writing by the chairperson of the board or in the absence of the chairperson another member of the board designated by the chairperson. The claims shall be reviewed and allowed by the board at the board's next regular or special meeting.

SECTION 5. IC 13-21-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A board that has imposed fees under section 1 of this chapter shall establish and continuously maintain a separate fund under this section to be known as the "_____ district solid waste management fund".

(b) All fees remitted to the district under section 1 of this chapter shall be deposited in the fund.

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(c) Money in the fund may be used only for the following purposes:

(1) To pay expenses of administering the fund.

(2) To pay costs associated with the development and implementation of the district plan.

(d) The controller of the district shall administer a fund established under this section. Money in the fund that is not currently needed for the purposes set forth in subsection (c) ~~may~~ **shall be deposited and** invested in the same manner as other county money ~~may be~~ **is deposited and** invested under IC 5-13. Interest that accrues from these investments shall be deposited in the fund. Money in the fund at the end of a district's fiscal year does not revert to:

(1) a county general fund; or

(2) any other fund.

(e) The controller of a district shall:

(1) file an individual surety bond; or

(2) revise an existing bond;

in a sufficient amount determined under IC 5-4-1-18 to reflect the liability associated with the handling of the district's money.

SECTION 6. IC 20-26-5-22.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 22.5. (a) A school corporation may participate in the establishment of a public school foundation.**

(b) The governing body of a school corporation may receive the proceeds of a grant, a restricted gift, an unrestricted gift, a donation, an endowment, a bequest, a trust, an agreement to share tax revenue received by a city or county under IC 4-33-12-6 or IC 4-33-13, or other funds not generated from taxes levied by the school corporation to create a foundation under the following conditions:

(1) The foundation is:

(A) exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

(B) organized as an Indiana nonprofit corporation for the purposes of providing educational funds for scholarships, teacher education, capital programs, and special programs for school corporations.

(2) Except as provided in subdivision (3), the foundation retains all rights to a donation, including investment powers. The foundation may hold a donation as a permanent endowment.

(3) The foundation agrees to do the following:

(A) Distribute the income from a donation only to the

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school corporation.

(B) Return a donation to the general fund of the school corporation if the foundation:

(i) loses the foundation's status as a foundation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(ii) is liquidated; or

(iii) violates any condition set forth in this subdivision.

(c) A school corporation may use the proceeds received under this section from a foundation only for purposes of the school corporation.

(d) The governing body of the school corporation may appoint members to the foundation.

(e) The treasurer of the governing body of the school corporation may serve as the treasurer of the foundation.

SECTION 7. IC 36-1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. "Fiscal officer" means:

(1) auditor, for a county **not having a consolidated city**;

(2) controller, for a:

(A) consolidated city;

(B) **county having a consolidated city**; or

(C) second class city;

(3) clerk-treasurer, for a third class city;

(4) clerk-treasurer, for a town; or

(5) trustee, for a township.

SECTION 8. IC 36-2-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. This chapter applies to all counties **except a county having a consolidated city**.

SECTION 9. IC 36-2-9-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. ~~(a) This section does not apply to a county having a consolidated city.~~

~~(b)~~ (a) The auditor shall perform the duties of clerk of the county executive under IC 36-2-2-11.

~~(c)~~ (b) If the auditor cannot perform the duties of clerk during a meeting of the county executive, and ~~he~~ **the auditor** does not have a deputy or ~~his~~ **the auditor's** deputy cannot attend the meeting, the executive may deputize a person to perform those duties during the meeting.

SECTION 10. IC 36-2-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. ~~(a) This section does not apply to a county having a consolidated city.~~

~~(b)~~ The auditor shall perform the duties of clerk of the county fiscal

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body under IC 36-2-3-6(b).

SECTION 11. IC 36-2-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]:

Chapter 9.5. County Auditor of Marion County

Sec. 1. This chapter applies to a county having a consolidated city.

Sec. 2. (a) The county auditor must reside within the county as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The auditor forfeits office if the auditor ceases to be a resident of the county.

(b) The term of office of the county auditor under Article 6, Section 2 of the Constitution of the State of Indiana is four (4) years and continues until a successor is elected and qualified.

Sec. 3. The county auditor shall keep an office in a building provided at the county seat by the county executive. The auditor shall keep the office open for business during regular business hours on every day of the year except:

- (1) Sundays;**
- (2) legal holidays; and**
- (3) days specified by the county executive according to the custom and practice of the county.**

Sec. 4. A legal action required to be taken in the county auditor's office on a day when the auditor's office is closed under section 3 of this chapter may be taken on the next day the office is open.

Sec. 5. The county auditor shall furnish standard forms for use in the transaction of business under this article and for use in the performance of services for which the auditor receives a specific fee.

Sec. 6. The county auditor may administer the following:

- (1) An oath necessary in the performance of the auditor's duties.**
- (2) The oath of office to an officer who receives the officer's certificate of appointment or election from the auditor.**
- (3) An oath relating to the duty of an officer who receives the officer's certificate of appointment or election from the auditor.**
- (4) The oath of office to a member of the board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).**

SECTION 12. IC 36-3-3-10 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 10. (a) The board of commissioners of the county is composed of the county treasurer, the county auditor, and the county assessor. These officers shall serve ex officio as commissioners without additional compensation for performing the duties of the board.

(b) The board of commissioners:

(1) shall make the appointments required by statute to be made by the board of commissioners of a county;

~~(2) shall perform the duties and exercise the powers prescribed by statutes pertaining to the issuance and payment of bonds of the county and the expenditure of the unexpended proceeds of those bonds; and~~

~~(3)~~ (2) may exercise the powers granted it by Article 9, Section 3 of the Constitution of the State of Indiana and by IC 12-30-3.

SECTION 13. IC 36-3-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. (a) An ordinance or resolution passed by a legislative body is considered adopted when it is:

(1) signed by the presiding officer; and

(2) if subject to veto, either approved by the executive or passed over ~~his~~ the executive's veto by the legislative body, under section 16 of this chapter.

(b) All ordinances and resolutions of a legislative body are subject to veto, except the following:

~~(1) An ordinance or resolution, or part of either, providing for the budget or appropriating money for an office or officer of the county provided for by the Constitution of Indiana or for a judicial office or officer.~~

~~(2)~~ (1) An ordinance or resolution approving or modifying the budget of a political subdivision that the legislative body is permitted by statute to review.

~~(3)~~ (2) A resolution making an appointment that the legislative body is authorized to make.

~~(4)~~ (3) A resolution selecting officers or employees of the legislative body.

~~(5)~~ (4) A resolution prescribing rules for the internal management of the legislative body.

~~(6)~~ (5) A zoning ordinance or amendment to a zoning ordinance, or a resolution approving a comprehensive plan, that is adopted under IC 36-7.

(c) An ordinance prescribing a penalty or forfeiture for a violation must, before it takes effect, be published in the manner prescribed by

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IC 5-3-1, unless:

(1) it is published under subsection (d); or

(2) there is an urgent necessity requiring its immediate effectiveness, the executive proclaims the urgent necessity, and copies of the ordinance are posted in three (3) public places in the county.

(d) If a legislative body publishes any of its ordinances in book or pamphlet form, no other publication is required. If an ordinance prescribing a penalty or forfeiture for a violation is published under this subsection, it takes effect two (2) weeks after the publication of the book or pamphlet. Publication under this subsection, if authorized by the legislative body, constitutes presumptive evidence:

(1) of the ordinances in the book or pamphlet;

(2) of the date of adoption of the ordinances; and

(3) that the ordinances have been properly signed, attested, recorded, and approved.

(e) Unless a legislative body provides in an ordinance or resolution for a later effective date, the ordinance or resolution takes effect when it is adopted, subject to subsections (c) and (d).

(f) Subsections (a), (c), (d), and (e) do not apply to zoning ordinances or amendments to zoning ordinances, or resolutions approving comprehensive plans, that are adopted under IC 36-7.

SECTION 14. IC 36-3-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. (a) The executive shall, subject to the approval of the city-county legislative body, appoint each of ~~his~~ **the executive's** deputies and the director of each department of the consolidated city. A deputy or director is appointed for a term of one (1) year and until ~~his~~ **a** successor is appointed and qualified, but serves at the pleasure of the executive.

(b) When making an appointment under subsection (a), the executive shall submit the name of an appointee to an office to the legislative body for its approval as follows:

(1) When the office has an incumbent, not more than forty-five (45) days before the expiration of the incumbent's one (1) year term.

(2) When the office has been vacated, not more than forty-five (45) days after the vacancy occurs.

(c) The executive may appoint an acting deputy or acting director whenever the incumbent is incapacitated or the office has been vacated. An acting deputy or acting director has all the powers of the office.

(d) The executive shall appoint:

(1) a controller;

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1 **(2) two (2) deputy controllers, only one (1) of whom may be**
 2 **from the same political party as the executive; and**
 3 **(3) a corporation counsel;**
 4 each of whom serves at the pleasure of the executive.

5 (e) The corporation counsel and every attorney who is a city
 6 employee working for the corporation counsel must be a resident of the
 7 county and admitted to the practice of law in Indiana.

8 SECTION 15. IC 36-3-5-2.5 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2.5. **(a)** The
 10 controller appointed under section 2 of this chapter is:

11 **(1) the fiscal officer of:**

12 **(A) the consolidated city; but and**

13 **(B) the county; and**

14 **(2) the director of the office of finance and management under**
 15 **section 2.7 of this chapter.**

16 **(b)** The county treasurer ~~shall serve~~ serves ex officio as the
 17 treasurer of the consolidated city.

18 SECTION 16. IC 36-3-5-2.6 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2.6. The:

20 **(1) controller is not liable, in an individual capacity, for any act or**
 21 **omission occurring in connection with the performance of the**
 22 **controller's duty as a fiscal officer of:**

23 **(A) the consolidated city; and**

24 **(B) the county; and**

25 **(2) deputy controller is not liable, in an individual capacity,**
 26 **for any act or omission occurring in connection with the**
 27 **performance of the deputy controller's duty;**

28 unless the act or omission constitutes gross negligence or an intentional
 29 disregard of the controller's **or the deputy controller's** duty.

30 SECTION 17. IC 36-3-5-2.7 IS ADDED TO THE INDIANA CODE
 31 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2006]: Sec. 2.7. **(a) Except as provided in subsection**
 33 **(c), the office of finance and management is established and is**
 34 **responsible for:**

35 **(1) accounting and budgeting;**

36 **(2) financial reporting and audits;**

37 **(3) revenue and tax distributions;**

38 **(4) purchasing;**

39 **(5) fixed assets;**

40 **(6) payroll, accounts payable, and accounts receivable; and**

41 **(7) maintenance of property records;**

42 **for all city and county departments, offices, and agencies.**

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(b) The controller:

- (1) serves as the director of; and**
 - (2) may organize into divisions;**
- the office of finance and management.**

(c) The county auditor shall:

- (1) prepare the budgets for:**
 - (A) the circuit and superior courts in the county; and**
 - (B) the prosecuting attorney of the county; and**
- (2) present the budgets to the city-county legislative body under IC 36-3-6-6.**

SECTION 18. IC 36-3-5-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 2.8. (a) Except as provided in subsections (b) and (c), the controller:**

- (1) has all the powers; and**
 - (2) performs all the duties;**
- of the county auditor under law.**

(b) The controller:

- (1) does not have the powers; and**
 - (2) may not perform the duties;**
- of the county auditor under IC 36-2-9.5 and IC 36-3-6, or as a member of the board of commissioners of the county under IC 36-3-3-10.**

(c) Notwithstanding subsection (a) or any other law, the executive, with the approval of the legislative body, may allocate the duties of the county auditor, except the duties referred to in subsection (b), among:

- (1) the controller;**
- (2) the county assessor;**
- (3) the county auditor; or**
- (4) other appropriate city or county officials.**

SECTION 19. IC 36-3-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 4. (a) The following executive departments of the consolidated city are established, subject to IC 36-3-4-23:**

- (1) Department of administration and equal opportunity.**
- (2) Department of metropolitan development.**
- (3) Department of public safety.**
- (4) Department of public works.**
- (5) Department of transportation.**
- (6) Department of parks and recreation.**

These departments and their divisions have all the powers, duties,

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functions, and obligations prescribed by law for them as of August 31, 1981, subject to IC 36-3-4-23.

(b) The department of public utilities established under IC 8-1-11.1 continues as an agency of the consolidated city, which is the successor trustee of a public charitable trust created under Acts 1929, c. 78. The department of public utilities is governed under IC 8-1-11.1 and is not subject to this article.

SECTION 20. IC 36-3-5-9 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 9. The controller shall furnish standard forms for use in the:**

(1) transaction of business; and

(2) performance of services for which the consolidated city or county receives a specific fee.

SECTION 21. IC 36-3-5-10 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 10. The controller, in the name of the state and on behalf of any fund of the county or consolidated city, may sue principals or sureties on any obligation, whether the obligation is in the name of the state or another person.**

SECTION 22. IC 36-3-5-11 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 11. The controller shall:**

(1) immediately file the original of the county treasurer's monthly report under IC 36-2-10-16 with the records of the county board of finance;

(2) present one (1) copy of the report to the legislative body of the consolidated city at its next regular meeting; and

(3) immediately transmit one (1) copy of the report to the state board of accounts.

SECTION 23. IC 36-3-5-12 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 12. The controller shall keep an accurate account current with the county treasurer. When a receipt given by the treasurer for money paid into the county treasury is deposited with the controller, the controller shall:**

(1) file the treasurer's receipt;

(2) charge the treasurer with the amount of the treasurer's receipt; and

(3) issue the controller's own receipt to the person presenting the treasurer's receipt.

SECTION 24. IC 36-3-5-13 IS ADDED TO THE INDIANA CODE

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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
JANUARY 1, 2006]: **Sec. 13. (a) The controller shall:**

- (1) keep a separate account for each item of appropriation made by the legislative body of the consolidated city; and**
- (2) in each warrant the controller draws on the county treasury, indicate the item of appropriation the warrant is drawn against.**

(b) The controller may not permit an item of appropriation to be:

- (1) overdrawn; or**
- (2) drawn on for a purpose other than the specific purpose for which the appropriation was made.**

(c) A controller who knowingly violates this section commits a Class A misdemeanor.

SECTION 25. IC 36-3-5-14 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
JANUARY 1, 2006]: **Sec. 14. (a) This section does not apply to:**

- (1) funds received from the state or the federal government for:**

- (A) township assistance;**
- (B) unemployment relief; or**
- (C) old age pensions; or**

- (2) other funds available under:**

- (A) the federal Social Security Act; or**
- (B) another federal statute providing for civil and public works projects.**

(b) Except for money that by statute is due and payable from the county treasury to:

- (1) the state; or**
- (2) a township or municipality in the county;**

money may be paid from the county treasury only upon a warrant drawn by the controller.

(c) A warrant may be drawn on the county treasury only if:

- (1) the legislative body of the consolidated city made an appropriation of the money for the calendar year in which the warrant is drawn; and**
- (2) the appropriation is not exhausted.**

(d) Notwithstanding subsection (c), an appropriation by the legislative body is not necessary to authorize the drawing of a warrant on and payment from a county treasury for:

- (1) money that:**
 - (A) belongs to the state; and**

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(B) is required by statute to be paid into the state treasury;

(2) money that belongs to a school fund, whether principal or interest;

(3) money that:

(A) belongs to a township or municipality in the county; and

(B) is required by statute to be paid to the township or municipality;

(4) money that:

(A) is due a person;

(B) is paid into the county treasury under an assessment on persons or property of the county in territory less than that of the whole county; and

(C) is paid for construction, maintenance, or purchase of a public improvement;

(5) money that is due a person and is paid into the county treasury to redeem property from a tax sale or other forced sale;

(6) money that is due a person and is paid to the county under law as a tender or payment to the person;

(7) taxes erroneously paid;

(8) money paid to a cemetery board under IC 23-14-65-22;

(9) money distributed under IC 23-14-70-3; or

(10) payments under a statute that expressly provides for payments from the county treasury without appropriation by the legislative body.

(e) A controller who knowingly violates this section commits a Class A misdemeanor.

SECTION 26. IC 36-3-5-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 15. (a) The controller shall examine and settle all accounts and demands that are:**

(1) chargeable against the county; and

(2) not otherwise provided for by statute.

(b) The controller shall issue warrants on the county treasury for:

(1) sums of money settled and allowed by the controller;

(2) sums of money settled and allowed by another official; or

(3) settlements and allowances fixed by statute;

and shall make the warrants payable to the person entitled to payment. The warrants shall be numbered progressively, and the controller shall record the number, date, amount, payee, and

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1 **purpose of issue of each warrant at the time of issuance.**

2 SECTION 27. IC 36-3-5-16 IS ADDED TO THE INDIANA CODE
3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2006]: **Sec. 16. Whenever:**

5 **(1) a judgment or order is issued by a court in a case in which**
6 **the county is:**

7 **(A) a party; and**

8 **(B) served with process for the payment of a claim;**

9 **(2) a certified copy of the judgment or order is filed with the**
10 **controller; and**

11 **(3) the claim is allowed by the legislative body of the**
12 **consolidated city;**

13 **the controller shall issue a warrant for the claim.**

14 SECTION 28. IC 36-3-5-17 IS ADDED TO THE INDIANA CODE
15 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2006]: **Sec. 17. (a) At the semiannual settlement**
17 **meeting under IC 6-1.1-27, the controller shall issue calls for the**
18 **redemption of outstanding county warrants if there is money**
19 **available in the county treasury for redemption of those warrants.**

20 **(b) A warrant included in a call under this section ceases to bear**
21 **interest on the date of the call. The county treasurer shall redeem**
22 **warrants included in the call when the warrants are presented to**
23 **the county treasurer.**

24 **(c) A controller who violates this section is liable for the interest**
25 **on money used for redemption.**

26 SECTION 29. IC 36-3-5-18 IS ADDED TO THE INDIANA CODE
27 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2006]: **Sec. 18. (a) Except as provided in subsection**
29 **(b), if the controller is held personally liable for penalties and**
30 **interest assessed by the Internal Revenue Service, the county**
31 **treasurer shall reimburse the controller in an amount equal to the**
32 **penalties and interest.**

33 **(b) The county treasurer may not reimburse the controller**
34 **under subsection (a) if the controller willfully or intentionally fails**
35 **or refuses to file a return or make a required deposit on the date**
36 **the return or deposit is due.**

37 SECTION 30. IC 36-3-5-19 IS ADDED TO THE INDIANA CODE
38 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2006]: **Sec. 19. (a) Before the controller makes the**
40 **endorsement required by IC 36-2-11-14, the controller may require**
41 **that a tax identification number identifying the affected real**
42 **property be placed on an instrument that conveys, creates,**

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encumbers, assigns, or otherwise disposes of an interest in or a lien on real property. The tax identification number may be established by the controller with the approval of the state board of accounts. If the tax identification number is affixed to the instrument or a tax identification number is not required, the controller shall make the proper endorsement on demand.

(b) On request, the controller shall provide assistance in obtaining the proper tax identification number for instruments subject to this section.

(c) The tax administration number established by this section is for use in administering statutes concerning taxation of real property and is not competent evidence of the location or size of the real property affected by the instrument.

(d) The legislative body of the consolidated city may adopt an ordinance authorizing the controller to collect a fee in an amount that does not exceed five dollars (\$5) for each:

(1) deed; or

(2) legal description of each parcel contained in the deed; for which the controller makes a real property endorsement. This fee is in addition to any other fee provided by law. The controller shall place revenue received under this subsection in a dedicated fund for use in maintaining plat books.

SECTION 31. IC 36-3-5-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 20. The controller shall:**

(1) maintain an electronic data file of the information contained on the tax duplicate for all:

(A) parcels; and

(B) personal property returns;

for each township in the county as of each assessment date;

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

(3) transmit the data in the file with respect to the assessment date of each year before March 1 of the next year to:

(A) the legislative services agency in an electronic format under IC 5-14-6; and

(B) the department of local government finance.

SECTION 32. IC 36-3-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 3. (a)** A legislative body shall, by ordinance or resolution, fix the annual compensation of all appointed officers, deputies, and employees under

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its jurisdiction. This may be done by adopting schedules of compensation. The schedules of compensation may include a provision for salaried employees whose salaries are paid on an annual basis. Salaried employees shall work a regularly scheduled work week, in accordance with the schedule of compensation.

(b) The city-county legislative body has jurisdiction over all appointed officers, deputies, and employees:

(1) of the consolidated city, except those of special service districts; or

(2) whose compensation is payable from the county general fund or any other fund from which the ~~county auditor~~ **controller** issues warrants for compensation.

A special service district legislative body has jurisdiction over all appointed officers, deputies, and employees of the special service district.

(c) This chapter does not affect the salaries of judges, officers of courts, prosecuting attorneys, and deputy prosecuting attorneys whose minimum salaries are fixed by statute, but the city-county legislative body may make appropriations to pay them more than the minimums fixed by statute. Beginning July 1, 1995, an appropriation made under this subsection may not exceed five thousand dollars (\$5,000) for each judge or full-time prosecuting attorney in any calendar year.

SECTION 33. IC 36-3-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) Before the Wednesday after the first Monday in July each year, the consolidated city and county shall prepare budget estimates for the ensuing budget year under this section.

(b) The following officers shall prepare for their respective departments, offices, agencies, or courts an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure they anticipate:

(1) The director of each department of the consolidated city.

(2) Each township assessor, elected county officer, or head of a county agency.

(3) The county clerk, for each court ~~of which he is the clerk~~ **serves**.

(c) In addition to the estimates required by subsection (b), the county clerk shall prepare an estimate of the amount of money that is, under law, taxable against the county for the expenses of cases tried in other counties on changes of venue.

(d) Each officer listed in subsection (b)(2) or (b)(3) shall append a certificate to each estimate ~~he the officer~~ **prepares** stating that in ~~his~~

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1 **the officer's** opinion the amount fixed in each item will be required for
 2 the purpose indicated. The certificate must be verified by the oath of
 3 the officer.

4 (e) An estimate for a court or division of a court is subject to
 5 modification and approval by the judge of the court or division.

6 (f) All of the estimates ~~prepared by city officers~~ shall be submitted
 7 to the ~~city fiscal officer, and all of the controller, except that~~ estimates
 8 ~~prepared by county officers relating to the circuit and superior~~
 9 ~~courts in the county and the prosecuting attorney of the county~~
 10 shall be submitted to the county ~~fiscal officer, auditor.~~

11 (g) The ~~city fiscal officer controller~~ shall also prepare an itemized
 12 estimate of ~~city~~ expenditures for other purposes above the money
 13 proposed to be used by the city **and county** departments, **offices, and**
 14 **agencies.**

15 SECTION 34. IC 36-3-6-5 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) The
 17 ~~consolidated city fiscal officer controller~~ shall review and revise the
 18 estimates of ~~city~~ expenditures ~~prepared submitted~~ under section 4 of
 19 this chapter. Then ~~he the controller~~ shall prepare for the executive a
 20 report of the estimated ~~department~~ budgets, miscellaneous expenses,
 21 and revenues necessary or available to finance the estimates, along
 22 with ~~his the controller's~~ recommendations.

23 (b) The executive shall determine the amounts to be included in the
 24 proposed appropriations ordinance by the ~~city fiscal officer controller~~
 25 and advise ~~him the controller~~ of those amounts.

26 SECTION 35. IC 36-3-6-6 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6. (a) **Except as**
 28 **provided in subsection (b),** the ~~consolidated city fiscal officer and the~~
 29 ~~county fiscal officer controller~~ shall, with the assistance of the
 30 corporation counsel, prepare:

- 31 (1) proposed appropriations ordinances for the city and county
- 32 and each special service district; and
- 33 (2) proposed ordinances fixing the rate of taxation for the taxes to
- 34 be levied for all city and county departments, offices, and
- 35 agencies.

36 The proposed appropriations ordinances must contain all the amounts
 37 necessary for the operation of consolidated government, listed in major
 38 classifications.

39 **(b) The county auditor shall perform the duties of the controller**
 40 **under subsection (a) with respect to:**

- 41 **(1) the circuit and superior courts in the county; and**
- 42 **(2) the prosecuting attorney for the county.**

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~~(b)~~ (c) The: ~~fiscal officers~~

(1) **controller** shall submit the proposed ordinances **prepared under subsection (a); and**

(2) **county auditor shall submit the proposed ordinances prepared under subsection (b);**

along with appropriation detail accounts for each city and county department, office, and agency, to the city clerk not later than the first meeting of the city-county legislative body in August.

SECTION 36. IC 36-3-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. After the passage of an appropriations ordinance, a legislative body may, on the recommendation of:

(1) the ~~consolidated city fiscal officer auditor~~, as to ~~city matters~~; **appropriations for:**

(A) **the circuit and superior courts in the county; or**

(B) **the prosecuting attorney of the county; or**

(2) the ~~county fiscal officer controller~~, as to **all other city and county matters; appropriations;**

make further or additional appropriations, unless their result is to increase a tax levy set by ordinance.

SECTION 37. IC 36-3-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) Liens for taxes levied by the consolidated city are perfected when certified to the ~~auditor of the county~~. **controller.**

(b) Liens created when the city enters upon property to make improvements to bring ~~it~~ **the property** into compliance with a city ordinance, and liens created upon failure to pay charges assessed by the city for services shall be certified to the ~~auditor~~, **controller** after the adoption of a resolution confirming the incurred expense by the appropriate city department, board, or other agency. In addition, the resolution must state the name of the owner as it appears on the township assessor's record and a description of the property. These liens are perfected when certified to the ~~auditor~~. **controller.**

(c) The amount of a perfected lien shall be placed on the tax duplicate by the ~~auditor controller~~ in the nature of a delinquent tax subject to enforcement and collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and IC 6-1.1-25. However, the amount of the lien is not considered a tax within the meaning of IC 6-1.1-21-2(b) and shall not be included as a part of either a total county tax levy under IC 6-1.1-21-2(g) or the tax liability of a taxpayer under IC 6-1.1-21-5 for purposes of the tax credit computations under IC 6-1.1-21-4 and IC 6-1.1-21-5.

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1 SECTION 38. [EFFECTIVE JULY 1, 2005] **The general assembly**
 2 **finds the following:**

3 **(1) A consolidated city faces unique budget challenges due to**
 4 **a high demand for services combined with the large number**
 5 **of tax exempt properties located in a consolidated city as the**
 6 **seat of state government, home to several institutions of**
 7 **higher education, and home to numerous national, state, and**
 8 **regional nonprofit corporations.**

9 **(2) By virtue of its size and population density, a consolidated**
 10 **city has unique overlapping territories of county, city, and**
 11 **township government and an absence of unincorporated areas**
 12 **within its county.**

13 **(3) By virtue of its size, population, and absence of**
 14 **unincorporated areas, development extends to and across the**
 15 **boundaries of the contiguous governmental territories located**
 16 **within a county having a consolidated city, thus giving less**
 17 **meaning to boundaries of the governmental territories located**
 18 **within the county.**

19 **(4) By virtue of its size, population, absence of unincorporated**
 20 **areas, overlapping territories, and development to and across**
 21 **the boundaries of contiguous governmental territories, there**
 22 **is less need for differentiation of local governmental services**
 23 **within the separate governmental territories located within a**
 24 **county having a consolidated city, but rather the local**
 25 **governmental service needs are similar and more uniform**
 26 **within and across a county having a consolidated city.**

27 **(5) The provision of local governmental services by multiple**
 28 **governmental entities with overlapping territories, and by**
 29 **governmental entities with contiguous territories with less**
 30 **meaningful boundaries, results in disparate levels of local**
 31 **government services within a county having a consolidated**
 32 **city and results in the inefficient and poor use of taxpayer**
 33 **dollars.**

34 **(6) As the seat of state government and a center for**
 35 **professional sporting events, tourism, and culture in central**
 36 **Indiana, the consolidated city faces unique demands for**
 37 **protecting governmental property and securing the safety of**
 38 **large numbers of residents and visitors, which require**
 39 **innovative approaches to public safety resources.**

40 **(7) If public safety resources are consolidated, residual**
 41 **services provided by townships are limited and can more**
 42 **effectively and uniformly be performed through consolidation**

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at the city or county level.

(8) Substantial operational efficiencies, reduction of administrative costs, and economies of scale may be obtained in a consolidated city through further consolidation of county, city, and township services and operations.

(9) Consolidation of county, city, and township services and operations in the consolidated city will serve the public purpose by allowing the consolidated city to:

(A) eliminate duplicative services;

(B) provide better coordinated and more uniform delivery of local governmental services;

(C) provide uniform oversight and accountability for the budgets for local governmental services;

(D) simplify the system of property taxation;

(E) provide more unified tax rates; and

(F) allow local government services to be provided more efficiently and at a lower cost than without consolidation.

(10) Efficient and fiscally responsible operation of local government benefits the health and welfare of the citizens of a consolidated city and is of public utility and benefit.

(11) The public purpose of this act is to provide a consolidated city with the means to perform essential governmental services for its citizens in an effective, efficient, and fiscally responsible manner.

SECTION 39. [EFFECTIVE JANUARY 1, 2006] IC 6-1.1-1-11 and IC 6-1.1-31-7, both as amended by this act, apply only to property taxes first due and payable after December 31, 2006.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1097, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) nursery stock that has been severed from the ground;
- (2) florists' stock of growing crops which are ready for sale as pot plants on benches;
- (3) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (4) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5;
- (5) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed; and
- (6) all other tangible property (other than real property) which is being:
 - (A) held for sale in the ordinary course of a trade or business;
 - (B) held, used, or consumed in connection with the production of income; or
 - (C) held as an investment.

(b) Personal property does not include **the following**:

- (1) Commercially planted and growing crops while they are in the ground.
- (2) **Computer application software.**

Page 2, line 7, after "computer" insert "**application**".

Page 2, line 7, delete ";" and insert "**, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software;**".

Page 2, line 16, delete "Except as provided in subsection (e), with" and insert "With".

Page 2, delete lines 20 through 21.

Page 2, line 22, after "2006]" insert "**IC 6-1.1-1-11 and**".

Page 2 line 22, after "IC 6-1.1-31-7," insert "**both**".

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Page 2, line 23, delete "applies" and insert "**apply**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1097 as introduced.)

ESPICH, Chair

Committee Vote: yeas 24, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1097 be amended to read as follows:

Page 2, line 6, delete "." and insert "**that is not held as inventory (as defined in IC 6-1.1-3-11)**".

(Reference is to HB 1097 as printed January 14, 2005.)

BORROR

HOUSE MOTION

Mr. Speaker: I move that House Bill 1097 be amended to read as follows:

Page 2, line 29, delete ";" and insert ",".

Page 2, line 29, after "and" insert "**which must require the use of nationally recognized valuation guides when determining the true tax value of mobile homes assessed under IC 6-1.1-7**";.

(Reference is to HB 1097 as printed January 14, 2005.)

WELCH

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1097, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 30, after "(6)" insert "**the true tax value of mobile homes assessed under IC 6-1.1-7 (other than mobile homes subject to the preferred valuation method under IC 6-1.1-4-39(b)) as the**

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least of the values determined using the following:

(A) The National Automobile Dealers Association Guide.

(B) The purchase price of a mobile home if:

(i) the sale is of a commercial enterprise nature; and

(ii) the buyer and seller are not related by blood or marriage.

(C)".

Page 2, line 30, delete "sales" and insert "Sales".

Page 2, line 30, delete "," and insert ";".

Page 2, line 30, delete "which".

Page 2, delete lines 31 through 33.

Page 2, line 34, delete "fair market" and insert "**true tax**".

Page 2, line 34, after "value" insert "**at the time of acquisition**".

Page 3, between lines 9 and 10, begin a new paragraph and insert:
"SECTION 3. IC 13-21-3-10 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) A controller
selected under section 9 of this chapter shall do the following:

(1) Be the official custodian of all district money **and, subject to the terms of any resolution or trust indenture under which bonds are issued under this article, deposit and invest all district money in the same manner as other county money is deposited and invested under IC 5-13.**

(2) Be responsible to the board for the fiscal management of the district.

(3) Be responsible for the proper safeguarding and accounting of the district's money.

(4) Subject to subsection (c), issue warrants approved by the board after a properly itemized and verified claim has been presented to the board on a claim docket.

(5) Make financial reports of district money and present the reports to the board for the board's approval.

(6) Prepare the district's annual budget.

(7) Perform any other duties:

(A) prescribed by the board; and

(B) consistent with this chapter.

(b) A controller selected under section 9 of this chapter:

(1) does not exercise any sovereign authority of the state; and

(2) does not hold a lucrative office for purposes of Article 2, Section 9 of the Constitution of the State of Indiana.

(c) The board may, by resolution, authorize the controller to make claim payments for:

(1) payroll;

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(2) the state solid waste management fee imposed by IC 13-20-22-1; and

(3) certain specific vendors identified in the resolution;

without the claims being first approved by the board if before payment the claims are approved in writing by the chairperson of the board or in the absence of the chairperson another member of the board designated by the chairperson. The claims shall be reviewed and allowed by the board at the board's next regular or special meeting.

SECTION 4. IC 13-21-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A board that has imposed fees under section 1 of this chapter shall establish and continuously maintain a separate fund under this section to be known as the "_____ district solid waste management fund".

(b) All fees remitted to the district under section 1 of this chapter shall be deposited in the fund.

(c) Money in the fund may be used only for the following purposes:

(1) To pay expenses of administering the fund.

(2) To pay costs associated with the development and implementation of the district plan.

(d) The controller of the district shall administer a fund established under this section. Money in the fund that is not currently needed for the purposes set forth in subsection (c) ~~may~~ **shall be deposited and** invested in the same manner as other county money ~~may be is~~ **deposited and** invested **under IC 5-13**. Interest that accrues from these investments shall be deposited in the fund. Money in the fund at the end of a district's fiscal year does not revert to:

(1) a county general fund; or

(2) any other fund.

(e) The controller of a district shall:

(1) file an individual surety bond; or

(2) revise an existing bond;

in a sufficient amount determined under IC 5-4-1-18 to reflect the liability associated with the handling of the district's money.

SECTION 5. IC 20-26-5-22.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 22.5. (a) A school corporation may participate in the establishment of a public school foundation.**

(b) The governing body of a school corporation may receive the proceeds of a grant, a restricted gift, an unrestricted gift, a donation, an endowment, a bequest, a trust, an agreement to share tax revenue received by a city or county under IC 4-33-12-6 or IC 4-33-13, or other funds not generated from taxes levied by the

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school corporation to create a foundation under the following conditions:

(1) The foundation is:

(A) exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

(B) organized as an Indiana nonprofit corporation for the purposes of providing educational funds for scholarships, teacher education, capital programs, and special programs for school corporations.

(2) Except as provided in subdivision (3), the foundation retains all rights to a donation, including investment powers. The foundation may hold a donation as a permanent endowment.

(3) The foundation agrees to do the following:

(A) Distribute the income from a donation only to the school corporation.

(B) Return a donation to the general fund of the school corporation if the foundation:

(i) loses the foundation's status as a foundation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(ii) is liquidated; or

(iii) violates any condition set forth in this subdivision.

(c) A school corporation may use the proceeds received under this section from a foundation only for purposes of the school corporation.

(d) The governing body of the school corporation may appoint members to the foundation.

(e) The treasurer of the governing body of the school corporation may serve as the treasurer of the foundation."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1097 as reprinted January 25, 2005.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1097 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-4-6.1-2.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2.6. (a) This section applies to records and other information, including records and information that are otherwise confidential, maintained by the following:

- (1) The board.
- (2) An urban enterprise association.
- (3) The department of state revenue.
- (4) The department of commerce.
- (5) The department of local government finance.
- (6) A county auditor.
- (7) A controller for a consolidated city.**
- ~~(7)~~ **(8)** A township assessor.

(b) A person listed in subsection (a) may request a second person described in subsection (a) to provide any records or other information maintained by the second person that concern an individual or business that is receiving a tax deduction, exemption, or credit related to an enterprise zone. Notwithstanding any other law, the person to whom the request is made under this section must comply with the request. A person receiving records or information under this section that are confidential must also keep the records or information confidential.

(c) A person who receives confidential records or information under this section and knowingly or intentionally discloses the records or information to an unauthorized person commits a Class A misdemeanor."

Page 5, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 7. IC 36-1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. "Fiscal officer" means:

- (1) auditor, for a county **not having a consolidated city;**
- (2) controller, for a:
 - (A)** consolidated city;
 - (B)** county **having a consolidated city;** or
 - (C)** second class city;
- (3) clerk-treasurer, for a third class city;
- (4) clerk-treasurer, for a town; or
- (5) trustee, for a township.

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SECTION 8. IC 36-2-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. This chapter applies to all counties **except a county having a consolidated city.**

SECTION 9. IC 36-2-9-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. ~~(a) This section does not apply to a county having a consolidated city:~~

~~(b)~~ **(a)** The auditor shall perform the duties of clerk of the county executive under IC 36-2-2-11.

~~(c)~~ **(b)** If the auditor cannot perform the duties of clerk during a meeting of the county executive, and ~~he~~ **the auditor** does not have a deputy or ~~his~~ **the auditor's** deputy cannot attend the meeting, the executive may deputize a person to perform those duties during the meeting.

SECTION 10. IC 36-2-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. ~~(a) This section does not apply to a county having a consolidated city:~~

~~(b)~~ The auditor shall perform the duties of clerk of the county fiscal body under IC 36-2-3-6(b).

SECTION 11. IC 36-2-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]:

Chapter 9.5. County Auditor of Marion County

Sec. 1. This chapter applies to a county having a consolidated city.

Sec. 2. (a) The county auditor must reside within the county as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The auditor forfeits office if the auditor ceases to be a resident of the county.

(b) The term of office of the county auditor under Article 6, Section 2 of the Constitution of the State of Indiana is four (4) years and continues until a successor is elected and qualified.

Sec. 3. The county auditor shall keep an office in a building provided at the county seat by the county executive. The auditor shall keep the office open for business during regular business hours on every day of the year except:

- (1) Sundays;**
- (2) legal holidays; and**
- (3) days specified by the county executive according to the custom and practice of the county.**

Sec. 4. A legal action required to be taken in the county auditor's office on a day when the auditor's office is closed under section 3 of this chapter may be taken on the next day the office is

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open.

Sec. 5. The county auditor shall furnish standard forms for use in the transaction of business under this article and for use in the performance of services for which the auditor receives a specific fee.

Sec. 6. The county auditor may administer the following:

- (1) An oath necessary in the performance of the auditor's duties.**
- (2) The oath of office to an officer who receives the officer's certificate of appointment or election from the auditor.**
- (3) An oath relating to the duty of an officer who receives the officer's certificate of appointment or election from the auditor.**
- (4) The oath of office to a member of the board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).**

SECTION 12. IC 36-3-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 10. (a) The board of commissioners of the county is composed of the county treasurer, the county auditor, and the county assessor. These officers shall serve ex officio as commissioners without additional compensation for performing the duties of the board.

(b) The board of commissioners:

- (1) shall make the appointments required by statute to be made by the board of commissioners of a county;
- (2) shall perform the duties and exercise the powers prescribed by statutes pertaining to the issuance and payment of bonds of the county and the expenditure of the unexpended proceeds of those bonds; and
- ~~(3)~~ (2) may exercise the powers granted it by Article 9, Section 3 of the Constitution of the State of Indiana and by IC 12-30-3.

SECTION 13. IC 36-3-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. (a) An ordinance or resolution passed by a legislative body is considered adopted when it is:

- (1) signed by the presiding officer; and
- (2) if subject to veto, either approved by the executive or passed over ~~his~~ **the executive's** veto by the legislative body, under section 16 of this chapter.

(b) All ordinances and resolutions of a legislative body are subject to veto, except the following:

- ~~(1) An ordinance or resolution, or part of either, providing for the~~

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~~budget or appropriating money for an office or officer of the county provided for by the Constitution of Indiana or for a judicial office or officer.~~

~~(2)~~ (1) An ordinance or resolution approving or modifying the budget of a political subdivision that the legislative body is permitted by statute to review.

~~(3)~~ (2) A resolution making an appointment that the legislative body is authorized to make.

~~(4)~~ (3) A resolution selecting officers or employees of the legislative body.

~~(5)~~ (4) A resolution prescribing rules for the internal management of the legislative body.

~~(6)~~ (5) A zoning ordinance or amendment to a zoning ordinance, or a resolution approving a comprehensive plan, that is adopted under IC 36-7.

(c) An ordinance prescribing a penalty or forfeiture for a violation must, before it takes effect, be published in the manner prescribed by IC 5-3-1, unless:

(1) it is published under subsection (d); or

(2) there is an urgent necessity requiring its immediate effectiveness, the executive proclaims the urgent necessity, and copies of the ordinance are posted in three (3) public places in the county.

(d) If a legislative body publishes any of its ordinances in book or pamphlet form, no other publication is required. If an ordinance prescribing a penalty or forfeiture for a violation is published under this subsection, it takes effect two (2) weeks after the publication of the book or pamphlet. Publication under this subsection, if authorized by the legislative body, constitutes presumptive evidence:

(1) of the ordinances in the book or pamphlet;

(2) of the date of adoption of the ordinances; and

(3) that the ordinances have been properly signed, attested, recorded, and approved.

(e) Unless a legislative body provides in an ordinance or resolution for a later effective date, the ordinance or resolution takes effect when it is adopted, subject to subsections (c) and (d).

(f) Subsections (a), (c), (d), and (e) do not apply to zoning ordinances or amendments to zoning ordinances, or resolutions approving comprehensive plans, that are adopted under IC 36-7.

SECTION 14. IC 36-3-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. (a) The executive shall, subject to the approval of the city-county legislative

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body, appoint each of ~~his~~ **the executive's** deputies and the director of each department of the consolidated city. A deputy or director is appointed for a term of one (1) year and until ~~his~~ **a** successor is appointed and qualified, but serves at the pleasure of the executive.

(b) When making an appointment under subsection (a), the executive shall submit the name of an appointee to an office to the legislative body for its approval as follows:

(1) When the office has an incumbent, not more than forty-five (45) days before the expiration of the incumbent's one (1) year term.

(2) When the office has been vacated, not more than forty-five (45) days after the vacancy occurs.

(c) The executive may appoint an acting deputy or acting director whenever the incumbent is incapacitated or the office has been vacated. An acting deputy or acting director has all the powers of the office.

(d) The executive shall appoint:

(1) a controller;

(2) two (2) deputy controllers, only one (1) of whom may be from the same political party as the executive; and

(3) a corporation counsel;

each of whom serves at the pleasure of the executive.

(e) The corporation counsel and every attorney who is a city employee working for the corporation counsel must be a resident of the county and admitted to the practice of law in Indiana.

SECTION 15. IC 36-3-5-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2.5. **(a)** The controller appointed under section 2 of this chapter is:

(1) the fiscal officer of:

(A) the consolidated city; ~~but~~ and

(B) the county; and

(2) the director of the office of finance and management under section 2.7 of this chapter.

(b) The county treasurer ~~shall serve~~ **serves** ex officio as the treasurer of the consolidated city.

SECTION 16. IC 36-3-5-2.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2.6. The:

(1) controller is not liable, in an individual capacity, for any act or omission occurring in connection with the performance of the controller's duty as a fiscal officer of:

(A) the consolidated city; and

(B) the county; and

(2) deputy controller is not liable, in an individual capacity,

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for any act or omission occurring in connection with the performance of the deputy controller's duty;

unless the act or omission constitutes gross negligence or an intentional disregard of the controller's **or the deputy controller's** duty.

SECTION 17. IC 36-3-5-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 2.7. (a) Except as provided in subsection (c), the office of finance and management is established and is responsible for:**

- (1) accounting and budgeting;**
- (2) financial reporting and audits;**
- (3) revenue and tax distributions;**
- (4) purchasing;**
- (5) fixed assets;**
- (6) payroll, accounts payable, and accounts receivable; and**
- (7) maintenance of property records;**

for all city and county departments, offices, and agencies.

(b) The controller:

- (1) serves as the director of; and**
- (2) may organize into divisions;**

the office of finance and management.

(c) The county auditor shall:

- (1) prepare the budgets for:**
 - (A) the circuit and superior courts in the county; and**
 - (B) the prosecuting attorney of the county; and**
- (2) present the budgets to the city-county legislative body under IC 36-3-6-6.**

SECTION 18. IC 36-3-5-2.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 2.8. (a) Except as provided in subsections (b) and (c), the controller:**

- (1) has all the powers; and**
- (2) performs all the duties;**

of the county auditor under law.

(b) The controller:

- (1) does not have the powers; and**
- (2) may not perform the duties;**

of the county auditor under IC 36-2-9.5 and IC 36-3-6, or as a member of the board of commissioners of the county under IC 36-3-3-10.

(c) Notwithstanding subsection (a) or any other law, the executive, with the approval of the legislative body, may allocate

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the duties of the county auditor, except the duties referred to in subsection (b), among:

- (1) the controller;
- (2) the county assessor;
- (3) the county auditor; or
- (4) other appropriate city or county officials.

SECTION 19. IC 36-3-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) The following executive departments of the consolidated city are established, subject to IC 36-3-4-23:

- (1) Department of administration **and equal opportunity.**
- (2) Department of metropolitan development.
- (3) Department of public safety.
- (4) Department of public works.
- (5) Department of transportation.
- (6) Department of parks and recreation.

These departments and their divisions have all the powers, duties, functions, and obligations prescribed by law for them as of August 31, 1981, subject to IC 36-3-4-23.

(b) The department of public utilities established under IC 8-1-11.1 continues as an agency of the consolidated city, which is the successor trustee of a public charitable trust created under Acts 1929, c. 78. The department of public utilities is governed under IC 8-1-11.1 and is not subject to this article.

SECTION 20. IC 36-3-5-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 9. The controller shall furnish standard forms for use in the:**

- (1) transaction of business; and
- (2) performance of services for which the consolidated city or county receives a specific fee.

SECTION 21. IC 36-3-5-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 10. The controller, in the name of the state and on behalf of any fund of the county or consolidated city, may sue principals or sureties on any obligation, whether the obligation is in the name of the state or another person.**

SECTION 22. IC 36-3-5-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 11. The controller shall:**

- (1) immediately file the original of the county treasurer's monthly report under IC 36-2-10-16 with the records of the

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county board of finance;

(2) present one (1) copy of the report to the legislative body of the consolidated city at its next regular meeting; and

(3) immediately transmit one (1) copy of the report to the state board of accounts.

SECTION 23. IC 36-3-5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 12. The controller shall keep an accurate account current with the county treasurer. When a receipt given by the treasurer for money paid into the county treasury is deposited with the controller, the controller shall:**

(1) file the treasurer's receipt;

(2) charge the treasurer with the amount of the treasurer's receipt; and

(3) issue the controller's own receipt to the person presenting the treasurer's receipt.

SECTION 24. IC 36-3-5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 13. (a) The controller shall:**

(1) keep a separate account for each item of appropriation made by the legislative body of the consolidated city; and

(2) in each warrant the controller draws on the county treasury, indicate the item of appropriation the warrant is drawn against.

(b) The controller may not permit an item of appropriation to be:

(1) overdrawn; or

(2) drawn on for a purpose other than the specific purpose for which the appropriation was made.

(c) A controller who knowingly violates this section commits a Class A misdemeanor.

SECTION 25. IC 36-3-5-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 14. (a) This section does not apply to:**

(1) funds received from the state or the federal government for:

(A) township assistance;

(B) unemployment relief; or

(C) old age pensions; or

(2) other funds available under:

(A) the federal Social Security Act; or

(B) another federal statute providing for civil and public

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works projects.

(b) Except for money that by statute is due and payable from the county treasury to:

- (1) the state; or
- (2) a township or municipality in the county;

money may be paid from the county treasury only upon a warrant drawn by the controller.

(c) A warrant may be drawn on the county treasury only if:

- (1) the legislative body of the consolidated city made an appropriation of the money for the calendar year in which the warrant is drawn; and
- (2) the appropriation is not exhausted.

(d) Notwithstanding subsection (c), an appropriation by the legislative body is not necessary to authorize the drawing of a warrant on and payment from a county treasury for:

- (1) money that:
 - (A) belongs to the state; and
 - (B) is required by statute to be paid into the state treasury;
- (2) money that belongs to a school fund, whether principal or interest;
- (3) money that:
 - (A) belongs to a township or municipality in the county; and
 - (B) is required by statute to be paid to the township or municipality;
- (4) money that:
 - (A) is due a person;
 - (B) is paid into the county treasury under an assessment on persons or property of the county in territory less than that of the whole county; and
 - (C) is paid for construction, maintenance, or purchase of a public improvement;
- (5) money that is due a person and is paid into the county treasury to redeem property from a tax sale or other forced sale;
- (6) money that is due a person and is paid to the county under law as a tender or payment to the person;
- (7) taxes erroneously paid;
- (8) money paid to a cemetery board under IC 23-14-65-22;
- (9) money distributed under IC 23-14-70-3; or
- (10) payments under a statute that expressly provides for payments from the county treasury without appropriation by

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the legislative body.

(e) A controller who knowingly violates this section commits a **Class A misdemeanor**.

SECTION 26. IC 36-3-5-15 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 15. (a) The controller shall examine and settle all accounts and demands that are:**

- (1) chargeable against the county; and
- (2) not otherwise provided for by statute.

(b) The controller shall issue warrants on the county treasury for:

- (1) sums of money settled and allowed by the controller;
- (2) sums of money settled and allowed by another official; or
- (3) settlements and allowances fixed by statute;

and shall make the warrants payable to the person entitled to payment. The warrants shall be numbered progressively, and the controller shall record the number, date, amount, payee, and purpose of issue of each warrant at the time of issuance.

SECTION 27. IC 36-3-5-16 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 16. Whenever:**

(1) a judgment or order is issued by a court in a case in which the county is:

- (A) a party; and
- (B) served with process for the payment of a claim;
- (2) a certified copy of the judgment or order is filed with the controller; and
- (3) the claim is allowed by the legislative body of the consolidated city;

the controller shall issue a warrant for the claim.

SECTION 28. IC 36-3-5-17 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 17. (a) At the semiannual settlement meeting under IC 6-1.1-27, the controller shall issue calls for the redemption of outstanding county warrants if there is money available in the county treasury for redemption of those warrants.**

(b) A warrant included in a call under this section ceases to bear interest on the date of the call. The county treasurer shall redeem warrants included in the call when the warrants are presented to the county treasurer.

(c) A controller who violates this section is liable for the interest on money used for redemption.

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SECTION 29. IC 36-3-5-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 18. (a) Except as provided in subsection (b), if the controller is held personally liable for penalties and interest assessed by the Internal Revenue Service, the county treasurer shall reimburse the controller in an amount equal to the penalties and interest.**

(b) The county treasurer may not reimburse the controller under subsection (a) if the controller willfully or intentionally fails or refuses to file a return or make a required deposit on the date the return or deposit is due.

SECTION 30. IC 36-3-5-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 19. (a) Before the controller makes the endorsement required by IC 36-2-11-14, the controller may require that a tax identification number identifying the affected real property be placed on an instrument that conveys, creates, encumbers, assigns, or otherwise disposes of an interest in or a lien on real property. The tax identification number may be established by the controller with the approval of the state board of accounts. If the tax identification number is affixed to the instrument or a tax identification number is not required, the controller shall make the proper endorsement on demand.**

(b) On request, the controller shall provide assistance in obtaining the proper tax identification number for instruments subject to this section.

(c) The tax administration number established by this section is for use in administering statutes concerning taxation of real property and is not competent evidence of the location or size of the real property affected by the instrument.

(d) The legislative body of the consolidated city may adopt an ordinance authorizing the controller to collect a fee in an amount that does not exceed five dollars (\$5) for each:

(1) deed; or

(2) legal description of each parcel contained in the deed; for which the controller makes a real property endorsement. This fee is in addition to any other fee provided by law. The controller shall place revenue received under this subsection in a dedicated fund for use in maintaining plat books.

SECTION 31. IC 36-3-5-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 20. The controller shall:**

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(1) maintain an electronic data file of the information contained on the tax duplicate for all:

(A) parcels; and

(B) personal property returns;

for each township in the county as of each assessment date;

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

(3) transmit the data in the file with respect to the assessment date of each year before March 1 of the next year to:

(A) the legislative services agency in an electronic format under IC 5-14-6; and

(B) the department of local government finance.

SECTION 32. IC 36-3-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3. (a) A legislative body shall, by ordinance or resolution, fix the annual compensation of all appointed officers, deputies, and employees under its jurisdiction. This may be done by adopting schedules of compensation. The schedules of compensation may include a provision for salaried employees whose salaries are paid on an annual basis. Salaried employees shall work a regularly scheduled work week, in accordance with the schedule of compensation.

(b) The city-county legislative body has jurisdiction over all appointed officers, deputies, and employees:

(1) of the consolidated city, except those of special service districts; or

(2) whose compensation is payable from the county general fund or any other fund from which the ~~county auditor~~ **controller** issues warrants for compensation.

A special service district legislative body has jurisdiction over all appointed officers, deputies, and employees of the special service district.

(c) This chapter does not affect the salaries of judges, officers of courts, prosecuting attorneys, and deputy prosecuting attorneys whose minimum salaries are fixed by statute, but the city-county legislative body may make appropriations to pay them more than the minimums fixed by statute. Beginning July 1, 1995, an appropriation made under this subsection may not exceed five thousand dollars (\$5,000) for each judge or full-time prosecuting attorney in any calendar year.

SECTION 33. IC 36-3-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) Before the Wednesday after the first Monday in July each year, the consolidated

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city and county shall prepare budget estimates for the ensuing budget year under this section.

(b) The following officers shall prepare for their respective departments, offices, agencies, or courts an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure they anticipate:

- (1) The director of each department of the consolidated city.
- (2) Each township assessor, elected county officer, or head of a county agency.
- (3) The county clerk, for each court ~~of which he is the clerk~~ **serves.**

(c) In addition to the estimates required by subsection (b), the county clerk shall prepare an estimate of the amount of money that is, under law, taxable against the county for the expenses of cases tried in other counties on changes of venue.

(d) Each officer listed in subsection (b)(2) or (b)(3) shall append a certificate to each estimate ~~he the officer~~ prepares stating that in ~~his~~ **the officer's** opinion the amount fixed in each item will be required for the purpose indicated. The certificate must be verified by the oath of the officer.

(e) An estimate for a court or division of a court is subject to modification and approval by the judge of the court or division.

(f) All of the estimates ~~prepared by city officers~~ shall be submitted to the ~~city fiscal officer, and all of the controller, except that~~ estimates prepared by county officers relating to the circuit and superior courts in the county and the prosecuting attorney of the county shall be submitted to the county ~~fiscal officer; auditor.~~

(g) The ~~city fiscal officer controller~~ shall also prepare an itemized estimate of ~~city~~ expenditures for other purposes above the money proposed to be used by the city **and county** departments, **offices, and agencies.**

SECTION 34. IC 36-3-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) The ~~consolidated city fiscal officer controller~~ shall review and revise the estimates of ~~city~~ expenditures ~~prepared submitted~~ under section 4 of this chapter. Then ~~he the controller~~ shall prepare for the executive a report of the estimated ~~department~~ budgets, miscellaneous expenses, and revenues necessary or available to finance the estimates, along with ~~his the controller's~~ recommendations.

(b) The executive shall determine the amounts to be included in the proposed appropriations ordinance by the ~~city fiscal officer controller~~ and advise ~~him the controller~~ of those amounts.

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SECTION 35. IC 36-3-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6. (a) **Except as provided in subsection (b), the consolidated city fiscal officer and the county fiscal officer controller** shall, with the assistance of the corporation counsel, prepare:

- (1) proposed appropriations ordinances for the city and county and each special service district; and
- (2) proposed ordinances fixing the rate of taxation for the taxes to be levied for all city and county departments, offices, and agencies.

The proposed appropriations ordinances must contain all the amounts necessary for the operation of consolidated government, listed in major classifications.

(b) The county auditor shall perform the duties of the controller under subsection (a) with respect to:

- (1) the circuit and superior courts in the county; and**
- (2) the prosecuting attorney for the county.**

~~(b)~~ (c) The: ~~fiscal officers~~

- (1) controller shall submit the proposed ordinances prepared under subsection (a); and**
- (2) county auditor shall submit the proposed ordinances prepared under subsection (b);**

along with appropriation detail accounts for each city and county department, office, and agency, to the city clerk not later than the first meeting of the city-county legislative body in August.

SECTION 36. IC 36-3-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. After the passage of an appropriations ordinance, a legislative body may, on the recommendation of:

- (1) the ~~consolidated city fiscal officer~~ **auditor**, as to ~~city matters~~; **appropriations for:**

- (A) the circuit and superior courts in the county; or**
- (B) the prosecuting attorney of the county; or**

- (2) the ~~county fiscal officer controller~~, as to **all other city and county matters: appropriations;**

make further or additional appropriations, unless their result is to increase a tax levy set by ordinance.

SECTION 37. IC 36-3-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) Liens for taxes levied by the consolidated city are perfected when certified to the ~~auditor of the county~~ **controller**.

- (b) Liens created when the city enters upon property to make

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improvements to bring ~~it~~ **the property** into compliance with a city ordinance, and liens created upon failure to pay charges assessed by the city for services shall be certified to the ~~auditor,~~ **controller** after the adoption of a resolution confirming the incurred expense by the appropriate city department, board, or other agency. In addition, the resolution must state the name of the owner as it appears on the township assessor's record and a description of the property. These liens are perfected when certified to the ~~auditor,~~ **controller**.

(c) The amount of a perfected lien shall be placed on the tax duplicate by the ~~auditor~~ **controller** in the nature of a delinquent tax subject to enforcement and collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and IC 6-1.1-25. However, the amount of the lien is not considered a tax within the meaning of IC 6-1.1-21-2(b) and shall not be included as a part of either a total county tax levy under IC 6-1.1-21-2(g) or the tax liability of a taxpayer under IC 6-1.1-21-5 for purposes of the tax credit computations under IC 6-1.1-21-4 and IC 6-1.1-21-5.

SECTION 38. [EFFECTIVE JULY 1, 2005] The general assembly finds the following:

- (1) A consolidated city faces unique budget challenges due to a high demand for services combined with the large number of tax exempt properties located in a consolidated city as the seat of state government, home to several institutions of higher education, and home to numerous national, state, and regional nonprofit corporations.**
- (2) By virtue of its size and population density, a consolidated city has unique overlapping territories of county, city, and township government and an absence of unincorporated areas within its county.**
- (3) By virtue of its size, population, and absence of unincorporated areas, development extends to and across the boundaries of the contiguous governmental territories located within a county having a consolidated city, thus giving less meaning to boundaries of the governmental territories located within the county.**
- (4) By virtue of its size, population, absence of unincorporated areas, overlapping territories, and development to and across the boundaries of contiguous governmental territories, there is less need for differentiation of local governmental services within the separate governmental territories located within a county having a consolidated city, but rather the local governmental service needs are similar and more uniform**

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within and across a county having a consolidated city.

(5) The provision of local governmental services by multiple governmental entities with overlapping territories, and by governmental entities with contiguous territories with less meaningful boundaries, results in disparate levels of local government services within a county having a consolidated city and results in the inefficient and poor use of taxpayer dollars.

(6) As the seat of state government and a center for professional sporting events, tourism, and culture in central Indiana, the consolidated city faces unique demands for protecting governmental property and securing the safety of large numbers of residents and visitors, which require innovative approaches to public safety resources.

(7) If public safety resources are consolidated, residual services provided by townships are limited and can more effectively and uniformly be performed through consolidation at the city or county level.

(8) Substantial operational efficiencies, reduction of administrative costs, and economies of scale may be obtained in a consolidated city through further consolidation of county, city, and township services and operations.

(9) Consolidation of county, city, and township services and operations in the consolidated city will serve the public purpose by allowing the consolidated city to:

- (A) eliminate duplicative services;
- (B) provide better coordinated and more uniform delivery of local governmental services;
- (C) provide uniform oversight and accountability for the budgets for local governmental services;
- (D) simplify the system of property taxation;
- (E) provide more unified tax rates; and
- (F) allow local government services to be provided more efficiently and at a lower cost than without consolidation.

(10) Efficient and fiscally responsible operation of local government benefits the health and welfare of the citizens of a consolidated city and is of public utility and benefit.

(11) The public purpose of this act is to provide a consolidated city with the means to perform essential governmental services for its citizens in an effective, efficient, and fiscally responsible manner."

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Renumber all SECTIONS consecutively.

(Reference is to EHB 1097 as printed April 6, 2005.)

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